Subsequent to enactment of Chapter III-C of the Reserve Bank of India Act, there have been several representations from Associations of Shroffs and financiers stating that enforcement of the provisions of Chapter III-C would force them to close down their business. Several unincorporated bodies have also filed writ petitions in the various High Courts challenging the constitutional validity of the provisions of the said Chapter. Over 50 such petitions filed in the Delhi High Court have been dismissed in December 1985 and the constitutional validity of Chapter III-C of the Reserve Bank of India Act has been upheld by the Delhi High Court. Some of these petitioners have gone in for appeal before the Supreme Court and the matter is *sub-judice*.

Trade deficit

112. SHRI KRISHNA KUMAR BIRLA: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that the country, is likely to suffer trade deficit of over Rs. 9000 crores during the year 1985-86;

(b) if so, to what extent the country will have to draw down on its scarce foreign exchange reserves; and

(c) what is its likely impact on the industrial growth and the inflationary trends in the country and whether rupee devaluation is anticipated as a result thereof?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL AND SUPPLIES (SHRI P. SHIV SHANKER): (a) It is difficult to precise to state the trade deficit with which we will end the financial year 1985-86. However, according to rough estimates the deficit this year is likely to be more than last year.

(b) and (c) Movement in foreign exchange reserves, industrial growth price situation and value of rupee depend on many factors. It is therefore difficult to indicate the extent to which the trade deficit would influence them.

Average Trade deficit

113. SHRI KRISHNA KUMAR BIRLA: Will the Minister of COMMERCE be pleased to state:

(a) what is the average trade deficit since 1981-82 till 1984-85 and what is the present trend of Indian trend and the likely deficit during 1985-86;

(b) to what extent the country has been able to raise commercial loans in the global financial market and how do Government view it in relation to the export performance;

(c) in which field, according to Government, India's export performance has been lacking and do Government consider the release of limited foreign exchange to the manufacturers|exporters for undertaking export campaigns and organising market research abroad as one of the causes for unsatisfactory export performance; and

(d) what remedial measures are contemplated by Government to step up exports and to find out new port markets so as to augment country's resources during the Seventh Plan period?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER): (a) The annual average trade deficit for 1981-82 to 1984-85 is Rs. 5657.77 crores.

According to the provisional data available, the trade deficit during April-September, 1985 is Rs. 4124.0 crores as compared to the deficit of Rs. 2290.6 crores during April-September, 1984. According to rough estimates the deficit this year is likely to be more than last year.